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#7-13

1953-59







# Metropolitan Transit Authority

BOARD OF TRUSTEES

PARK SQUARE BUILDING

BOSTON 16, MASSACHUSETTS

## TENTH ANNUAL REPORT

of the

BOARD OF TRUSTEES

of the

METROPOLITAN TRANSIT AUTHORITY

To His Excellency the Governor,  
to the General Court, and to the  
Trustees of the Boston Metropolitan District:

In accordance with the requirements of Chapter 544 of the Acts of 1947, as amended, the Trustees of the Metropolitan Transit Authority herewith file the tenth annual report of the Authority, which covers the results of operations for the calendar year 1956.

### SUMMARY OF REPORT

Total deficit of the Authority, including all fixed charges, for 1956 amounted to \$8,324,287.73. This is an increase of \$1,609,653.10 compared to the deficit for the previous year.

Income of the Authority in 1956 totalled \$39,334,804.94, an increase of \$1,032,529.67 over the income received in 1955. This was primarily the result of an increase in fares established October 1, 1955.



Net results of operations, as specified by Chapter 196 of the Acts of 1954, showed a loss of \$2,481,415.67. This compares with a loss of \$915,178.06 incurred during 1955 under the above Act.

EXPENSES INCREASE BEYOND INCOME

Under presently existing conditions, it does not appear possible to bring expenditures of the Authority into balance with income. Reasons are obvious.

An increase of \$2,028,585.50 in wages over those of 1955 was paid to employees during 1956. This alone was almost twice the increased income during the year.

Other items comprising total operating expenses - materials and services, injuries and damages, fuel, and MTA retirement fund - showed substantial increases during 1956. Net result was an increase of \$2,581,164.57 in total operating expenses as compared with those of 1955. This despite the fact that management kept the average number of weekly employees during 1956 at 6,005, as compared with 6,073 in 1955. Revenue miles operated in 1956 totalled 40,646,563 which was a reduction of 230,598 below 1955.

In this connection, the Board wishes to point out items mentioned above continue to show increased costs and will undoubtedly cost more in 1957.

Employees have already petitioned for further increases of wages during 1957 - proposals which would add materially to the costs of wages paid in 1956. Wage increase petitions for 1957 also include proposals for further "fringe" benefits.





The matter will be resolved by arbitration, as provided by law and as provided in agreements between employees and the Authority.

### PATRONAGE DECLINES SHOW SIGNS OF EASING

The total number of revenue passengers carried in 1956 was 219,286,909. This is a reduction of 5,791,006 below the number of passengers carried in 1955 (or 2.57%). This is a considerable reduction under the comparative losses in the previous two years. In 1954, the loss was 9.01% from 1953. In 1955, the loss was 7.80% from 1954. The following comparisons in three cities comparable to Boston indicate the Authority's loss is running less than the average:

	Total Loss of Passengers in 1956, as compared to 1955
Detroit	8.8%
St. Louis	7.5%
Philadelphia	4.0%
Boston	2.6%

(Figures compiled by American Transit Association.)

### USE OF 5¢ CHILDREN'S FARE MOUNTS

While the total number of revenue passengers carried by the Authority in 1956 showed a decline of nearly six million, the number of passengers carried at the 5¢ fare, established by the Legislature as applicable to children between 5 and 14 years of age, inclusive, and those using pupils' tickets, showed an increase of 1,266,118 for the year. Five-cent cash fares increased 5.21% and use of 5¢ pupils' tickets increased 2.58%.



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In 1956 those riding on the 5¢ fare totalled 27,022,599 - or 12.32% of the total number of passengers carried during the year on the entire system.

These figures indicate, in our opinion, a widespread misuse of the 5¢ fare, with many thousands of over-age youngsters, and many who are regularly, or part-time employed, using the 5¢ fare in violation of the original intent of the Legislature when this law was enacted. Vigorous efforts were continued during 1956 to police the use of the 5¢ fare. This task is a difficult one for employees, who are required to attempt to judge the actual ages of juveniles whose appearance is such they could be anywhere from 12 to 17 years old.

Equally vigorous efforts have been made to restrict the use of school children's tickets by boys and girls who are employed regularly or part time. It is evident, however, from the sharp increase in 5¢ cash fares and in the use of pupils' school tickets, there is extensive evasion of proper payment of fare by thousands of young people who have passed the age limit of children whom the Legislative Act was intended to aid.

#### STEADY INCREASE IN USE OF MTA PARKING LOTS

In 1956, use of MTA parking lots, where all-day parking for 25¢, plus a round-trip fare on the MTA is sold thru combination tickets priced at 65¢ continued to increase.

In 1956, cars parked at MTA lots reached a total of 563,183. This compares with 443,480 automobiles parked in the year ending October 31, 1954. Nineteen hundred and fifty-four was the first year of



operation of the lots, under present policy of charging for parking, as compared with "free parking for MTA patrons" prior thereto.

In three years the policy, established by the present Board in November of 1953, has kept nearly a million and a half automobiles from further clogging Boston's intown street congestion. It has also provided a total of some four million and a half additional passengers for the MTA. Studies have shown that each car parked averages about 1.5 one-way passengers for the Authority.

In addition, the Authority has received from the lessees of the lots upwards of \$170,000. in new rental income, \$64,000. of which is included in 1956 revenues.

#### ADVERTISING CAMPAIGN CONTINUED

Your Trustees have continued, thru newspapers and radio, to advertise the advantages in time consumed and ultimate cost of parking at MTA lots, as compared with driving automobiles into Boston. The fact that patronage of MTA lots continues to show steady increases would seem to indicate such advertising is productive.

#### SERVICE IMPROVEMENTS

Fifty new cars to operate as twenty-five articulated units for use on the Everett-Forest Hills rapid transit line were ordered in August, with delivery expected to commence in the Spring of 1957. These cars are each 55 feet in length, and are the longest which clearances on the line will permit. They will each seat 48 passengers.

A hundred new hydraulic-drive, diesel buses were put into service on various lines during 1956.



They enabled bus substitution for streetcar operation on the Egleston Square-Lenox Street route (June 16); and similar substitution (June 17) on the Harvard-Watertown and Harvard-Waverley routes on Sundays and holidays; with added substitution on the latter line in early morning and evening service (December 15). Elimination of this streetcar operation resulted in a substantial saving in operations costs on these routes.

New, modern lighting systems were installed in seven rapid transit stations during 1956. Eleven more are scheduled for similar treatment in 1957. This will bring the number of stations given modern lighting in a three-year period to 23.

A new passenger station was authorized at Arlington Heights (ready for operation early in 1957). This permitted a rearrangement of the bus-storage yard, enabling release of a considerable area on property of the Authority for automobile parking. These additional parking facilities will be ready for patrons early in 1957 and should attract more patrons to the Arlington Heights-Harvard Square bus line.

#### NEW LINES ESTABLISHED

Several new lines of surface vehicles were established during 1956 on an experimental basis. Most of these were tried at insistence of interested groups of individuals who predicted they would prove profitable.

Only two of them, one between Columbia Rapid Transit Station and the Columbia Housing Project in Dorchester; and the other an extension of the times of operation of the Orient Heights Belt Line are still





in operation. All the others, despite vigorous promotion and advertising, failed to attract sufficient patronage to anywhere approach meeting out-of-pocket costs of operation.

Requests for establishment of new lines, or extensions of existing lines, continue to be pressed by individuals or groups. Each request is carefully studied. If there is any indication, in the opinion of those experienced in transportation, of profitable potential patronage, management takes the proper steps. Most such requests, however, examined properly for potential patronage, indicate, without any doubt, that to establish them would only add further to loss from operations.

### PROSPECTS FOR 1957

Prospects of an even larger deficit from operations looms in 1957, unless there is some action which results in a considerable increase in patronage.

It is our considered opinion that there is little likelihood of any such substantial increase on presently operated lines. Changed habits of thousands who formerly used vehicles of the Authority during evening hours and on Saturdays and Sundays; those who now stay at home to watch television in the evening; and those who use their automobiles instead of public transportation on week-ends are apparently a permanent change.

Additional fringe parking lots are under active consideration. There is little available vacant land, located where it would attract motorists to park and use vehicles of the Authority in and out of the city proper. Such areas as appear available are in process of negotiation for use by the Authority.



There already exists the need for more new and modern equipment on the rapid transit lines. The fifty new cars now on order will not fill the gap, nor for long provide a stop-gap. There is also need for further replacement of some older buses.

Any increase in wage costs which may come as the result of the impending arbitration of employee proposals must, of necessity, be reflected in a larger deficit in 1957.

Methods by which costs of operations may be further reduced are under intensive study. We shall also continue efforts towards service improvements which should attract more patronage.

\* \* \* \* \*

### OPERATING EXPENSES

Actual operation results of the Authority for the calendar year of 1956, as compared with the same period of 1955, were as follows:

	<u>YEAR 1956</u>	<u>YEAR 1955</u>	<u>INCREASE</u>
Wages	\$30,343,434.09	\$28,314,848.59	\$2,028,585.50
Materials, Services and other items	4,344,157.40	4,163,455.70	180,701.70
Injuries and Damages	1,549,454.61	1,288,829.35	260,625.26
Depreciation	1,200,000.00	1,200,000.00	-
Fuel	2,230,301.67	1,931,624.67	298,677.00
Power Interchange (Net)	419,786.15 Cr.	134,189.01 Cr.	285,597.14 Dec
MTA Retirement Fund	<u>1,773,219.46</u>	<u>1,675,047.21</u>	<u>98,172.25</u>
 TOTAL OPERATING EXPENSES	 \$41,020,781.08	 \$38,439,616.51	 \$2,581,164.57

### FIXED CHARGES

Under the law of the Commonwealth, as at presently constituted, certain so-called fixed charges must be included as a part of



the cost of service. These items are composed of taxes, interest on bonds, payments on funded debt and Cambridge Subway rental. The following table compares these items for 1956 and 1955:

	<u>YEAR ENDED DECEMBER 31</u>	
	<u>1956</u>	<u>1955</u>
Taxes	\$ 780,851.49	\$ 767,649.62
Cambridge Subway Rental	387,676.64	388,323.34
Interest on Bonds	3,538,195.42	3,633,709.81
Payment on Funded Debt. - B. M. D.	2,012,000.00	1,864,000.00
Miscellaneous Items	<u>14,588.04</u>	<u>10,187.20</u>
TOTAL	\$6,733,311.59	\$6,663,869.97

\* \* \* \* \*

#### FINANCIAL STATEMENTS

The balance sheet of the Metropolitan Transit Authority at December 31, 1956, related statement of income and cost of the service, detail of operating expenses, for the year ended December 31, 1956, together with notes relating to these financial statements are appended to this report.

Respectfully submitted,

BOARD OF TRUSTEES

METROPOLITAN TRANSIT AUTHORITY

(Signed) Frank W. Rourke, Chairman

" Robert H. Ryan

" Harold D. Ulrich



## FINANCIAL STATEMENTS

# METROPOLITAN TRANSIT AUTHORITY

## BALANCE SHEET-DECEMBER 31, 1956

### ASSETS

#### Fixed assets (Note A):

Road and equipment .....	\$111,547,043.58
Miscellaneous physical property.....	<u>206,735.80</u>
	111,753,779.38
Less - Reserve for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned (Note B) .....	<u>45,974,579.69</u>
	65,779,199.69
Subways, tunnels and other facilities:	
Acquired from the City of Boston as of August 3, 1949 in accordance with Chapter 544 of the Acts of 1947 as amended by Chapter 572 of the Acts of 1949 .....	40,225,550.43
Constructed by Metropolitan Transit Authority since August 2, 1949 .....	<u>19,238,382.94</u>
	59,463,933.37
Less - Amortization through debt retirement reimbursed to the Authority (Paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section (7) of Chapter 649 of the Acts of 1949 as amended) (Note C) .....	<u>5,151,814.89</u>
	<u>54,312,118.48</u>
Total fixed assets, less reserve and amortization .....	<u>120,091,318.17</u>

#### Current assets:

Cash in banks and on hand (incl. \$176,979.86 deposited for payrolls) .....	2,338,896.88
United States Treasury Bills .....	2,796,345.44
Special deposits .....	251,175.30
Commonwealth of Massachusetts - Amounts receivable under Chapter 544 of the Acts of 1947 as amended:	
Assessable deficit - per accompanying statement of income and the cost of the service .....	\$8,324,287.73
Less - Amount advanced by Commonwealth of Massachusetts in accordance with Section 13A of Chapter 544 of the Acts of 1947 inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 (Note D) .....	<u>4,500,000.00</u>
	3,824,287.73
Miscellaneous accounts and rents receivable .....	536,048.88
Material and supplies, at cost less reserve .....	2,480,625.50
Other current assets .....	<u>69,081.92</u>
Total current assets.....	<u>12,296,461.65</u>

#### Other assets:

Special deposits available only for:	
Extension of rapid transit facilities as provided for by Chapter 692 of the Acts of 1945 as amended and to the extent of \$395,628.04 for establishing off-street parking facilities, all as provided for under Chapter 544 of the Acts of 1947 as amended .....	615,489.15
Extension of East Boston Rapid Transit facilities to Revere and to the extent of \$43,915.90 for studies, preliminary plans and estimates of cost for the extension of the Cambridge Subway, all as provided under Chapter 649 of the Acts of 1949 as amended and affected by Chapter 613 of the Acts of 1952 .....	67,283.88
Purchase of revenue equipment as provided under Chapter 544 of the Acts of 1947 as amended .....	115,828.50
Mortgage note receivable .....	<u>3,358.07</u>
Total other assets .....	<u>801,959.60</u>

#### Deferred charges and unadjusted debits:

Prepaid expenses .....	147,358.00
Unadjusted debits .....	<u>110,820.11</u>
Total deferred charges and unadjusted debits .....	<u>258,178.11</u>

<u>TOTAL ASSETS</u> .....	<u>\$133,447,917.53</u>
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(See accompanying notes to financial statements)



# METROPOLITAN TRANSIT AUTHORITY

BALANCE SHEET-DECEMBER 31, 1956

## LIABILITIES

Funded debt (all held by Boston Metropolitan District) - per accompanying statement (Note E):

Bond of Metropolitan Transit Authority, dated August 3, 1949 under authority of Section 7A of Chapter 544 of the Acts of 1947 as amended (less \$1,000,000. included in current liabilities below) .....	\$62,918,371.89
Rapid transit bond of Metropolitan Transit Authority, dated August 3, 1949, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$536,259.27 included in current liabilities below) .....	35,929,371.27
Bond of Metropolitan Transit Authority, dated November 25, 1949 under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$102,000. included in current liabilities below) .....	6,834,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$60,000. included in current liabilities below) .....	4,140,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$13,333.33 included in current liabilities below) .....	906,666.67
Bond of Metropolitan Transit Authority, dated March 1, 1951, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$11,000. included in current liabilities below) .....	759,000.00
Bond of Metropolitan Transit Authority, dated January 15, 1952, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$22,000. included in current liabilities below) .....	1,540,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 8A of Chapter 544 of the Acts of 1947 as amended (less \$15,000. included in current liabilities below) .....	1,065,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1953, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$32,000. included in current liabilities below) .....	2,272,000.00
Bond of Metropolitan Transit Authority, dated March 1, 1954, under authority of Section 6 of Chapter 649 of the Acts of 1949 as amended (less \$10,000. included in current liabilities below) .....	720,000.00
Serial bonds of Metropolitan Transit Authority issued under authority of Section 22 of Chapter 544 of the Acts of 1947 as amended (less \$1,007,000. included in current liabilities below) .....	9,639,000.00
	<u>126,723,409.83</u>

### Current liabilities:

Funded debt installments payable within one year .....	2,808,592.60
Accounts and wages payable .....	1,468,848.50
Accrued interest and rents payable .....	594,503.33
Accrued Federal old age benefit tax .....	77,581.13
Provision for injury and damage claims .....	1,072,379.05
Unredeemed tickets and tokens .....	316,492.85
Employee withholdings and other liabilities .....	301,932.93
Total current liabilities .....	<u>6,640,330.39</u>

### Deferred and unadjusted credits:

Unamortized premium on funded debt .....	79,759.92
Unadjusted credits .....	4,417.39
Total deferred and unadjusted credits .....	<u>84,177.31</u>

Commitments:  
(Note F)

TOTAL LIABILITIES ..... \$133,447,917.53

(See accompanying notes to financial statements)



# METROPOLITAN TRANSIT AUTHORITY

Statement of Funded Debt - December 31, 1956

(All held by the Boston Metropolitan District)

<u>NOTE</u>	<u>ISSUE DATE</u>	<u>TERM</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>PRINCIPAL AMOUNT</u>
A	Apr. 15, 1948	10 Years	Apr. 15, 1958	1.50%	\$150,000.00
B	Dec. 1, 1948	15 Years	Dec. 1, 1963	1.75%	1,015,000.00
C	Aug. 3, 1949	Fixed	Dec. 1, 2020	(see note)	63,918,371.89
D	Aug. 3, 1949	Fixed	Nov. 20, 2024	(see note)	36,465,630.54
E	Nov. 25, 1949	30 Years	Nov. 25, 1979	2.00%	6,936,000.00
F	Dec. 1, 1949	15 Years	Dec. 1, 1964	1.50%	214,000.00
G	Mar. 1, 1951	30 Years	Mar. 1, 1981	(see note)	920,000.00
H	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	4,200,000.00
I	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	770,000.00
J	Mar. 1, 1951	10 Years	Mar. 1, 1961	1.50%	535,000.00
K	Mar. 1, 1951	20 Years	Mar. 1, 1971	1.50%	1,257,000.00
L	Mar. 1, 1951	30 Years	Mar. 1, 1981	1.50%	3,178,000.00
M	Jan. 15, 1952	30 Years	Jan. 15, 1982	2.10%	1,562,000.00
N	Jan. 15, 1952	9 Years	Jan. 15, 1961	2.10%	330,000.00
O	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	1,080,000.00
P	Mar. 1, 1953	30 Years	Mar. 1, 1983	2.75%	2,304,000.00
Q	Mar. 1, 1953	10 Years	Mar. 1, 1963	2.50%	392,000.00
R	Mar. 1, 1953	11 Years	Mar. 1, 1964	2.50%	120,000.00
S	Mar. 1, 1953	20 Years	Mar. 1, 1973	2.50%	1,221,000.00
T	Mar. 1, 1954	30 Years	Mar. 1, 1984	2.30%	730,000.00
U	Mar. 1, 1954	10 Years	Mar. 1, 1964	2.30%	80,000.00
V	Mar. 1, 1954	9 Years	Mar. 1, 1963	2.30%	119,000.00
W	Mar. 1, 1955	15 Years	Mar. 1, 1970	2.00%	215,000.00
X	Mar. 1, 1956	15 Years	Sept. 1, 1970	2.40%	<u>1,820,000.00</u>
TOTAL FUNDED DEBT - December 31, 1956					\$129,532,002.43
LESS - Payments due in 1957 in current liabilities					<u>2,808,592.60</u>
NET FUNDED DEBT - Payable after 1957					\$126,723,409.83

(See notes on following pages)



## NOTES ON FUNDED DEBT

- A Equipment serial bonds. Original issue \$1,000,000. payable \$50,000. semi-annually on April 15 and October 15. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- B Equipment serial bonds. Original issue \$2,175,000. payable semi-annually \$72,000. on June 1 and \$73,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- C Refunding bond. Original issue \$71,418,371.89 payable \$500,000. each June 1 and December 1 and final installment of \$418,371.89 on December 1, 2020. (Issued under Section 7A, Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable by the Boston Metropolitan District on their contra debt and refunding issues.

- D Rapid Transit bond. Original issue \$40,219,445.43 payable in 75 installments of \$536,259.27 on each November 20. This amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on the same date in reduction of principal. (Issued under Section 8A(c), Chapter 544, Acts of 1947 as amended.)

The equivalent of interest on this bond is provided for by the Metropolitan Transit Authority Rapid Transit note, dated August 3, 1949, wherein the Authority promises to pay to the City of Boston on behalf of the District, and in its place and stead, the actual interest on City of Boston Transit debt, less income collected on the City's transit debt sinking funds.

- E Construction bond. Original issue \$7,650,000. payable \$102,000. annually on November 21 to and including November 21, 1978 and one payment of \$4,692,000. on November 25, 1979. The \$102,000. annual amount is paid by the State to the Authority each November 20 and a like amount is paid by the Authority to the Boston Metropolitan District on each November 21 in reduction of principal. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- F Equipment serial bonds. Original issue \$403,000. payable semi-annually \$13,000. on June 1 and \$14,000. on December 1. (Issued under Section 22, Chapter 544, Acts of 1947 as amended)
- G Construction bond. Original issue \$1,000,000. dated April 15, 1950 paid March 1, 1951 and renewed for \$986,666.67. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.) 1/75th of the principal amount is payable annually (\$13,333.33 and 34 cents every third year) on March 1 by the Authority to the Boston Metropolitan District and a like amount is paid by the State to the Authority each November 20.

The interest payable on this bond is the interest payable on Boston Metropolitan District bonds issued to purchase this bond.

- H Construction bond. Original issue \$4,500,000. payable \$60,000. annually on March 1 to and including March 1, 1980 and one payment of \$2,760,000. on March 1, 1981. The \$60,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- I Construction bond. Original issue \$825,000. payable \$11,000. annually on March 1 to and including March 1, 1980 and one payment of \$506,000. on March 1, 1981. The \$11,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1st and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- J Equipment serial bonds. Original issue \$1,074,000. payable annually \$108,000. March 1, 1952 to 1955 inclusive, \$107,000. March 1, 1956 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)





NOTES ON FUNDED DEBT - Continued

- K Equipment serial bonds. Original issue \$1,673,000. payable annually, as follows:  
\$83,000. March 1, 1952 to 1955 inclusive.  
\$84,000. March 1, 1956 to 1962 inclusive.  
\$83,000. March 1, 1963, March 1, 1966, March 1, 1969  
\$84,000. March 1, 1964, 1965, 1967, 1968, 1970 and 1971  
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- L Equipment serial bonds. Original issue \$3,817,000. payable annually, as follows:  
\$128,000. March 1, 1952 to 1955 inclusive.  
\$127,000. March 1, 1956 to 1962 inclusive.  
\$128,000. March 1, 1963, 1966, 1969.  
\$127,000. March 1, 1964, 1965, 1967, 1968.  
\$127,000. March 1, 1970 to 1981 inclusive.  
(Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- M Construction bond. Original issue \$1,650,000. payable \$22,000. annually on January 15, to and including January 15, 1981 and one payment of \$1,012,000. on January 15, 1982. The \$22,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each January 15th and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- N Equipment serial bonds. Original issue \$592,000. payable annually \$65,000. January 15, 1953 and 1954, and \$66,000. January 15, 1955 to 1961 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- O Construction bond. Original issue \$1,125,000. payable \$15,000. annually on March 1 to and including March 1, 1982 and one payment of \$690,000. on March 1, 1983. The \$15,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 8A(j), Chapter 544, Acts of 1947 as amended.)
- P Construction bond. Original issue \$2,400,000. payable \$32,000. annually on March 1 to and including March 1, 1982 and one payment of \$1,472,000. on March 1, 1983. The \$32,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)
- Q Equipment serial bonds. Original issue \$562,000. payable annually \$58,000. March 1, 1954, \$56,000. March 1, 1955 to 1963 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- R Equipment serial bonds. Original issue \$166,000. payable annually \$16,000. March 1, 1954, \$15,000. March 1, 1955 to 1964 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- S Equipment serial bonds. Original issue \$1,545,000. payable annually \$108,000. March 1, 1954 to 1958, \$102,000. March 1, 1959 to 1961, \$97,000. March 1, 1962 to 1964, \$46,000. March 1, 1965 to 1967, \$45,000. March 1, 1968 to 1973 incl. (Issued under Section 22, Chapter 544, Acts of 1947 as amended. For capital additions or improvements to passenger-carrying rolling stock.)
- T Construction bond. Original issue \$750,000. payable \$10,000. annually on March 1 to and including March 1, 1984 and one payment of \$450,000. on March 1, 1984. The \$10,000. annual principal payment is made by the Authority to the Boston Metropolitan District on each March 1 and a like amount is paid by the State to the Authority on each November 20. (Issued under Section 6, Chapter 649, Acts of 1949 as amended.)





NOTES ON FUNDED DEBT - Continued

- U Equipment serial bonds. Original issue \$98,000. payable annually \$8,000. March 1, 1955, \$10,000. March 1, 1956 to 1964 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- V Equipment serial bonds. Original issue \$156,000. payable annually \$20,000. March 1, 1955, \$17,000. March 1, 1956 to 1963 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- W Equipment serial bonds. Original issue \$231,000. payable annually \$16,000. March 1, 1956-59-62-65-68-70; \$15,000. March 1, 1957-58-60-61-63-64-66-67-69. (Issued under Section 22, Chapter 544, Acts of 1947 as amended.)
- X Equipment serial bonds. Original issue \$1,954,000. payable annually \$134,000. September 1, 1956, \$130,000. September 1, 1957 to 1970 inclusive. (Issued under Section 22, Chapter 544, Acts of 1947 as amended).

A-B-F-J-K-L-N-Q-R-S-U-V-W-X Equipment serial bonds

C Authority vs. District refinancing August 3, 1949

D Subway purchase August 3, 1949 (City of Boston)

E East Boston Rapid Transit Subway Alterations and Off-Street parking facilities

G Tremont Subway addition (Park St. to Scollay Square - preliminary plans) and Alteration

H-M East Boston Rapid Transit

I Washington Tunnel Extensions (preliminary plans) and Alterations

O East Boston Rapid Transit, Off-Street Parking Facilities

P E.B.R.T. Extension to Revere and Cambridge Subway Extension (preliminary plans)

T E.B.R.T. Extension to Revere



STATEMENT OF INCOME AND THE COST OF THE SERVICE  
YEAR ENDED DECEMBER 31, 1956

## Income:

Revenue from transportation.....	\$38,248,274.91	
Revenue from other operations.....	<u>921,849.79</u>	
Total operating revenue .....	39,170,124.70	
Non-operating income.....	<u>164,680.24</u>	
Total income .....		\$39,334,804.94

## Operating expenses:

## Way and structures:

Salaries and wages.....	\$3,472,169.97	
Other.....	<u>1,239,885.38</u>	4,712,055.35

## Equipment:

Salaries and wages.....	2,344,862.64	
Other.....	<u>1,595,702.14</u>	3,940,564.78

## Power:

Salaries and wages.....	1,079,241.82	
Other.....	<u>2,111,830.73</u>	3,191,072.55

## Conducting transportation:

Salaries and wages.....	21,332,487.82	
Other.....	<u>610,829.41</u>	21,943,317.23

## Traffic:

Salaries and wages	46.46	
Other.....	<u>96,456.11</u>	96,502.57

## General:

Salaries and wages.....	2,114,625.38	
M. T. A. Retirement Fund ...	1,773,219.46	
Other.....	<u>3,249,423.76</u>	<u>7,137,268.60</u>

Total operating expenses (including allowance of \$1,200,000.00 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned - Note B)		<u>41,020,781.08</u>
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Loss before other deductions		1,685,976.14
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## Other deductions:

Taxes assignable to transportation operations....	780,851.49	
Interest on funded debt (Note E) .....	3,538,195.42	
Payment on funded debt-B. M. D. (Note E) .....	2,012,000.00	
Cambridge subway rental.....	387,676.64	
Other deductions.....	<u>14,588.04</u>	

Total other deductions .....		<u>6,733,311.55</u>
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Loss resulting from operations .....		8,419,287.73
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## Profit and loss items:

Dividend on compensation insurance .....	75,000.00	
Adjustment of outstanding ticket liability .....	<u>20,000.00</u>	<u>95,000.00</u>

Loss for the Year (excess of the cost of the service over income)		<u>\$ 8,324,287.73</u>
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(see accompanying notes to financial statements)



METROPOLITAN TRANSIT AUTHORITY

OPERATING EXPENSES  
YEAR ENDED DECEMBER 31, 1956

Way and structures:

Superintendence.....	\$ 489,208.88
Maintenance of roadway and track.....	1,262,805.52
Removal of snow and ice.....	259,449.27
Tunnels and subways.....	96,976.63
Elevated structures and foundations.....	195,073.52
Bridges, trestles and culverts.....	8,503.14
Crossings, fences and signs.....	19,975.92
Signals and interlockers.....	71,899.88
Communication systems.....	23,557.22
Miscellaneous way expenses.....	299,221.97
Maintenance of electric line equipment.....	496,982.63
Maintenance of buildings, fixtures and grounds.....	824,225.73
Depreciation of way and structures.....	600,000.00
Dismantling retired way and structures.....	<u>64,175.04</u>

Total way and structures ..... \$4,712,055.35

Equipment:

Superintendence.....	\$ 208,104.76
Maintenance of revenue equipment.....	2,063,470.68
Maintenance of service equipment.....	9,899.71
Electric equipment of cars and trackless trolleys.....	530,863.93
Shop equipment.....	110,888.04
Shop expenses.....	717,538.89
Maintenance of automotive and misc. equipment.....	71,798.77
Depreciation of equipment.....	<u>228,000.00</u>

Total equipment ..... \$3,940,564.78

Power:

Superintendence.....	\$ 166,359.83
Maintenance of power plants.....	322,155.50
Depreciation of power plants.....	372,000.00
Other power plant operating expenses.....	1,879,493.92
Gasoline and fuel oil for buses.....	<u>451,063.30</u>

Total power ..... \$3,191,072.55



OPERATING EXPENSES - Continued  
YEAR ENDED DECEMBER 31, 1956

Conducting transportation:

Superintendence.....	\$ 3,243,397.08
Passenger car, trainmen and bus operators.....	12,093,907.70
Miscellaneous car and bus service employees.....	398,115.15
Miscellaneous car and bus service expenses.....	132,778.59
Station employees.....	2,223,353.80
Station expenses.....	582,676.60
Car house and bus garage employees.....	2,084,798.53
Car house and bus garage expenses.....	244,768.59
Operation of signal and interlocking apparatus.....	527,248.93
Operation of communication systems.....	23,703.02
Other transportation expenses.....	<u>388,569.24</u>

Total conducting transportation..... \$21,943,317.23

Traffic (promotion and advertising) ..... \$96,502.57

General (administrative and other general  
operating expenses):

Salaries and expenses of general officers.....	\$95,814.74
Salaries and expenses of general office clerks.....	1,133,024.14
General office supplies and expenses.....	240,352.97
Law expenses.....	82,002.37
Pensions, retirement fund, gratuities, group health and accident, surgical, life and hospitalization insurance.....	2,279,342.61
Miscellaneous general expenses.....	228,324.14
Injuries and damages and expenses relating thereto.	1,912,620.68
Insurance.....	487,329.74
Stationery and printing.....	152,627.07
Store expenses.....	389,810.38
Service garage expenses and supplies.....	<u>136,019.76</u>

Total general..... \$7,137,268.60

Total operating expenses ..... \$41,020,781.08





# METROPOLITAN TRANSIT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### Note A--Fixed Assets

The fixed assets acquired from Boston Elevated Railway Company on August 29, 1947 are carried on the books of the Authority at original cost to the Company as shown on its books as of that date. Additions subsequent to August 29, 1947, including the subways, tunnels and other facilities purchased from City of Boston August 3, 1949, are carried at cost to the Authority, the cost of subways, tunnels and facilities purchased from the City of Boston being measured by the amount of the bond issued therefor.

### Note B--Reserve for Depreciation

In accordance with the provisions of Section 11 of Chapter 544 of the Acts of 1947 as amended by Section 4 of Chapter 572 of the Acts of 1949, no allowance for depreciation of passenger-carrying rolling stock of the Authority or for obsolescence and losses in respect to such rolling stock after August 2, 1949, is reflected in the accompanying financial statements of the Authority.

On the other hand, as provided by that section (Section 11 of Chapter 544), cost of the service, as reflected in the Statement of Income and the Cost of the Service, includes (1), all sums paid to the Boston Metropolitan District for the year ended December 31, 1956 in reduction or payment of the principal amount of bonds issued by the Authority under either Section 7A or Section 22, as well as (2) such allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned as is contemplated by said Section 11.

The Reserve for Depreciation of Property, and for Obsolescence and Losses in respect to Property Sold, Destroyed or Abandoned, includes the aggregate of all debt retirement sums paid after August 2, 1949 under the provisions mentioned above, as well as allowance for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned, except with respect to passenger-carrying rolling stock after August 2, 1949. The balance (\$45,974,579.69) of this account at December 31, 1956 is substantially less than recent surveys have indicated may be required to cover normal depreciation and obsolescence that has accrued on the properties.

### Note C--Amortization of Tunnels, Subways and Other Facilities

The credits arising from the reimbursement to the Authority by the Commonwealth of Massachusetts for the principal payments made on bonds issued under paragraphs (c) and (j) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 6 of Chapter 649 of the Acts of 1949 as amended (discussed in Note E) are considered to provide for amortization of Tunnels, Subways and Other Facilities, and consequently no provision for depreciation thereof is included in the allowance made by the Trustees in the year 1956 for depreciation of property and for obsolescence and losses in respect to property sold, destroyed or abandoned. Such credits amounted to \$5,151,814.89 at December 31, 1956.



## Note D--Advance Payment Account of Assessable Deficit

Section 13A of Chapter 544 of the Acts of 1947 which was inserted in said Chapter 544 by Chapter 409 of the Acts of 1954 provides that if during any calendar year the Trustees, in their opinion, have not sufficient cash to make the payments required in the course of their management and operation of the transportation system and other properties under their control, the Trustees may, from time to time during such year, certify to the State Treasurer an amount, which together with all amounts previously paid in such year to the Authority under this section, shall not exceed the amount by which the income of the Authority has failed to meet the cost of the service as estimated by the Trustees for that portion of such year which has expired up to the date of such certification; and that the Commonwealth shall thereupon pay over to the Authority the amount so certified; and that such payments shall be treated as payments on account of the deficiency as of the last day of said calendar year.

In October 1956, after certification by the Trustees, an advance payment was made to the Authority in the amount of \$4,500,000.

## Note E--Funded Debt

Section 7 of Chapter 544 of the Acts of 1947 as amended, provided that bonds of the Authority and bonds of the Boston Elevated Railway Company assumed by the Authority should be cancelled at their respective maturity dates, or prior thereto, to the extent that bonds of the Boston Metropolitan District issued to provide funds for the purchase thereof had been retired, or their retirement provided for, through interest payments made by the Company or by the Authority in excess of the amounts required to pay the interest on the District's bonds. At August 3, 1949, \$26,513,545.11 of such bonds of the District had been retired, or their retirement provided for.

Pursuant to refinancing provisions of Section 7A of Chapter 544 of the Acts of 1947 as amended, bonds of the Authority (other than bonds issued under Section 22 and Section 8A) and bonds of the Boston Elevated Railway Company assumed by the Authority, with an aggregate principal amount of \$97,931,917. were cancelled August 3, 1949 and a new bond for \$71,418,371.89 issued to the Boston Metropolitan District. The principal amount of this new bond was equal to the difference between the principal amount of the bonds cancelled and the \$26,513,545.11 referred to in the preceding paragraph. The new bond is payable in 142 installments of \$500,000. each, on December 1 and June 1. The first installment was paid on December 1, 1949, and the final installment, \$418,371.89, is payable on December 1, 2020 (see notes to Statement of Funded Debt attached). Interest is payable on the new bond in amounts equal to the interest on bonds of the Boston Metropolitan District which may be outstanding from time to time, and the accrued interest on funded debt as shown on the balance sheet reflects the accrued unpaid liability for interest on this bond at December 31, 1956.

Payments in reduction of the principal of the new bond of the Authority issued under said Section 7A (\$1,000,000.) and in payment of bonds of the Authority issued under Section 22 of said Chapter 544 (\$1,012,000.) were included in the cost of the service for the year ended December 31, 1956 as provided in Section 11 of said Chapter 544.





## Note E--Funded Debt - (Continued)

On August 3, 1949, the Authority acquired the subways and other transit properties of the City of Boston under the provisions of Section 8A inserted in Chapter 544 of the Acts of 1947 by Chapter 572 of the Acts of 1949. Reference should be made to said Section 8A for the details of the transaction whereby the Authority on August 3, 1949 issued to the Boston Metropolitan District its bond for \$40,219,445.43 and its note (undertaking to make the payments required of the District on its note to the City) in exchange for District bonds payable to the City of Boston of a like principal amount and a note of the District by which the District undertook, among other things, to pay interest on the City's outstanding transit indebtedness to the extent that such interest exceeded the income of the City's sinking funds available to pay the same, which bonds and note of the District were delivered by the Authority to the City to effect the transfer to the Authority of title to the City's subway and transit properties.

In accordance with the provisions of paragraph (1) of Section 8A of Chapter 544 of the Acts of 1947 as amended and Section 7 of Chapter 649 of the Acts of 1949 as amended, the Commonwealth of Massachusetts is required to pay to the Authority on November 20 of each year after 1949 the amounts previously certified by the Trustees of the Authority as payable by the Authority during such year in reduction of the principal amount of its bonds issued under paragraphs (c) and (j) of Section 8A of said Chapter 544 and Section 6 of said Chapter 649 (for subways, tunnels and other facilities). The amount certified to the Treasurer by the Trustees of the Authority is assessed on the cities and towns constituting the Authority. On November 21, 1956, the Authority received from the Commonwealth of Massachusetts the amount of \$801,592.61 which had been certified by the Authority as payable during the year 1956.

In the Statement of Income and the Cost of the Service for the year ended December 31, 1956, the caption "Interest on Funded Debt" includes: (1) interest accrued during the year on the Authority's bonds issued under Sections 7A, 8A(j), and 22 of Chapter 544 and Section 6 of Chapter 649; and (2) payments actually made during the year to the City of Boston in accordance with the Authority's note to the District issued under Section 8A(c) of said Chapter 544.

As of December 31, 1956, the Authority had expended from current treasury funds, \$2,082,595.50 for the purchase of 100 new diesel buses. Reimbursement to the Authority will be made in 1957 from the proceeds of bonds to be issued under Section 22 of Chapter 544 of the Acts of 1947 as amended.

## Note F--Commitments

At December 31, 1956 the Authority had outstanding firm commitments totalling approximately \$4,312,000. for other additions and improvements to the road and equipment properties and for the purchase of rapid transit cars.

Of this amount, approximately \$3,860,000. will be paid from special deposits established from bond issues under Section 22 of Chapter 544 of the Acts of 1947, as amended.











